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introducing them into the water or other liquid used in making the vinegar; and

(b) The distilled spirits produced are accurately accounted for and are secure from unlawful removal from the premises or from unauthorized use.

(26 U.S.C. 5502)

RULES FOR OPERATING VINEGAR PLANTS

§ 19.647 Authorized operations.

After approval of an application by TTB, a plant qualified for the production of vinegar may only:

(a) Produce vinegar by the vaporizing process; and

(b) Produce distilled spirits of 30° of proof or less for use in the manufacture of vinegar on the vinegar plant premises.

(26 U.S.C. 5501)

§ 19.648 Conduct of operations.

A vinegar manufacturer qualified under this subpart may:

(a) Separate by a vaporizing process the distilled spirits from a mash; and

(b) Condense the distilled spirits vapors by introducing them into the water or other liquid to make the vinegar.

(26 U.S.C. 5504)

§ 19.649 Restrictions on alcohol content.

No person may remove from the vinegar plant premises vinegar or other fluid or any other material containing more than 2 percent alcohol by volume.

(26 U.S.C. 5504)

REQUIRED RECORDS FOR VINEGAR PLANTS

§ 19.650 Daily records.

Each manufacturer of vinegar by the vaporizing process must keep accurate and complete daily records of production operations. It is not necessary to create records to satisfy this requirement if the records kept by the manufacturer in the ordinary course of business contain all required information. The required information consists of the following:

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(a) The kind and quantity of fermenting or distilling materials received on the premises;

(b) The kind and quantity of materials fermented or mashed;

(c) The proof gallons of distilled spirits produced;

(d) The proof gallons of distilled spirits used in the manufacture of vinegar;

(e) The wine gallons of vinegar produced; and

(f) The wine gallons of vinegar removed from the premises.

(26 U.S.C. 5504)

LIABILITY FOR DISTILLED SPIRITS TAX

§ 19.651 Liability for distilled spirits tax.

The distilled spirits excise tax imposed by 26 U.S.C. 5001 must be paid on any distilled spirits produced in, or removed from, the premises of a vinegar plant in violation of law or regulations.

(26 U.S.C. 5505)

Subpart X—Distilled Spirits for Fuel Use

§ 19.661 Scope.

This subpart covers the establishment and operation of alcohol fuel plants.

(26 U.S.C. 5181)

GENERAL

§ 19.662 Definitions.

As used in this subpart, the following terms have the meanings indicated.

Alcohol fuel plant. A special type of distilled spirits plant authorized under 26 U.S.C. 5181 and established under this subpart solely for producing, processing, and storing, and using or distributing distilled spirits to be used exclusively for fuel use.

Bonded premises. The premises of an alcohol fuel plant where distilled spirits are produced, processed, and stored, and used or distributed as described in the application for alcohol fuel producer permit. The term includes the premises of small alcohol fuel plants exempt from bonding requirements under § 19.673(e).

Fuel alcohol. Distilled spirits that have been made unfit for beverage use